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TAX LIENS

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The legislature, acting under the authority of this section, has provided for deposit in banks of money belonging to, or in the custody of, the state or its political subdivisions (Stats. 1923, Ch. 76; Stats. 1927, Ch. 740).

The legislature has also sought to provide for deposit of funds of metropolitan water districts in banks (Stats. 1929, Ch. 796).

The question has been raised, whether a metropolitan water district, or other similar corporation, is a "municipality", or a "political subdivision", within the meaning of those terms as employed in said Section 16; or, in other words, whether that section, as it now reads, furnishes a basis for such statutory provision respecting funds of metropolitan water districts, or other similar public corporations.

The adoption of Assembly Constitutional Amendment No. 33 will eliminate these questions. That amendment provides, in part, as follows:

"All moneys belonging to, or in the custody of, the state, or any county, city and county, city, town, municipality or other public or municipal corporation, within this state may be deposited in any national bank or banks within this state, or in any bank or banks organized under the laws of this state, in such manner and under such

conditions as may be provided by any law adopted by the people under the initiative or by a two-thirds vote of each house of the Legislature and approved by the governor and subject to the referendum;
* * *

A metropolitan water district, and other similar corporations, are public corporations, and therefore, unquestionably, are within the terms of such amendment.

This constitutional amendment is especially important at this time, by reason of the Colorado River Aqueduct Project of the Metropolitan Water District of Southern California. The funds of this District, at times, may amount to a very large sum. This District should have indisputable authority to deposit its funds in banks, so as to obtain interest thereon until they are required for District purposes. Other similar public corporations should also have such authority. To achieve this desirable end, Assembly Constitutional Amendment No. 33 should be approved.

G. M. BIGGAR,
Assemblyman, 6th District.

WILLIAM G. BONELLI,
Assemblyman, 54th District.

TAX LIENS. Assembly Constitutional Amendment 2. Adds Section 31b to Article IV of Constitution. Empowers Legislature to provide that the lien of every tax, heretofore or hereafter attaching, shall cease for all purposes thirty years after such tax became a lien, or to provide that every tax, heretofore or hereafter levied, shall be conclusively presumed to have been paid after thirty years from time same became a lien unless the property subject thereto has been sold in manner provided by law for payment of said tax.

16

YES

NO

(For full text of measure, see page 21, Part II)

Argument in Favor of Assembly Constitutional Amendment No. 2

ASSEMBLY CONSTITUTIONAL AMENDMENT NUMBER TWO was introduced at the 1931 session of the Legislature and passed both houses without a dissenting vote.

The 1931 legislature passed a bill which would have the effect of placing a statute of limitation on taxes. Conflicting legal opinion made it desirable to pass Assembly Constitutional Amendment Number Two, which if approved by the electorate of the State will make constitutional the 1931 act, or permit the legislature to pass a constitutional act in 1933.

During the early history of the state, when land was held in large parcels and taxes were small, the levying and collection of taxes was carried on in many counties in a careless and haphazard manner. Old tax rolls show taxes as unpaid which were in fact paid, receipts

have been found among old private papers showing this to be the case.

The law passed by the Legislature in effect simply provides that when the State for *thirty years* has not exercised its right to sell the property for delinquent taxes, and when the time allowed by law for the State to sue to collect taxes has long since expired, the lien of the tax shall be removed also.

In some counties private persons have made contracts with the authorities under which they dig up and examine the old tax rolls, and receive fifty per cent of all the old taxes which they may find, and which the present owners are compelled or induced to pay in order to clear their property. It is obviously unfair to permit the State to wait until all the parties are dead and all private records lost, and then endeavor to enforce a lien for taxes with all the penalties.

The Constitutional Amendment in no way affects the collection of present taxes. It does

not apply to cases in which the State has sold property for non-payment of taxes. It merely gives the Legislature power, if it sees fit, to provide by law that if the State or its political subdivisions do not collect taxes or sell property for their non-payment within thirty years after the taxes are levied, the tax shall no longer be a lien upon the property.

On behalf of the property owners of the State of California, I ask you to vote YES on this amendment.

HUBERT B. SCUDDER,
Assemblyman, Seventh District.

HARRY B. RILEY,
Assemblyman, Seventy-first District.

Argument Against Assembly Constitutional Amendment No. 2

THE PROPOSED AMENDMENT PUTS A PREMIUM ON NON-PAYMENT OF TAXES. IT PENALIZES A PERSON WHO PAYS HIS TAXES AND REWARDS A PERSON WHO DOES NOT.

If taxes—public utility taxes, corporation taxes, bank taxes, or any other kinds of taxes—remain unpaid for thirty years after they have become due and payable, the proposed amendment would cancel those taxes and consider them fully paid. The amendment would thus relieve from taxation those taxpayers who choose not to pay at the expense of those taxpayers who are conscientious toward their tax obligations.

The inevitable result would be that taxpayers who pay their taxes would be forced to pay the taxes of delinquent taxpayers who have failed or refused to pay their taxes for a period of thirty years. It is expecting too much to ask all taxpayers who pay their just taxes to saddle themselves with the payment of just taxes chargeable to others who ignore government's demand for payment and complacently sit back in the knowledge that, if they do not pay, their taxes will be contributed by the conscientious group of tax-paying citizens.

Ample provision now exists for the cancellation of taxes illegally or erroneously levied. Non-payment of taxes by those who would escape payment of their just share of the expenses of government should not be encouraged.

The proposed wholesale cancellation of taxes deliberately permitted to become delinquent goes beyond mere cancellation. Under the existing law property is not further assessed after taxes have remained unpaid for five or more years. The amendment contains no provision for returning such property to the assessment rolls. Hence the automatic cancellation of just taxes would also prevent any further just taxation of that property.

Taxes have never been popular but they are indispensable to the maintenance of sound government. The least government can do is to distribute the tax load fairly and equitably, but the proposed amendment would write tax discrimination and tax inequality into the law.

In 1912 there were 32,137 parcels of land sold to the State for tax delinquency; in 1930 the number grew to 296,608; and it is estimated that the number will exceed 500,000 for the taxes of 1931. The proposed amendment would swell that total by holding out the promise of tax immunity for tax delinquency.

It is impossible to accurately estimate the loss in dollars that the State, the fifty-eight counties, and the innumerable cities and other taxing districts would suffer by the adoption of the proposed amendment, but it may be safely said that the immediate loss would exceed one million dollars and that the loss would mount with each succeeding year.

EVERY CENT OF THAT LOSS, WHATEVER ITS EXTENT, WOULD HAVE TO BE MADE UP BY INCREASED TAXES LEVIED AGAINST THOSE PROPERTY OWNERS WHO DO NOT REFUSE OR FAIL TO PAY THEIR TAXES. THE PROPOSED AMENDMENT THEREFORE MEANS HIGHER TAXES AND MORE TAXES FOR ALL TAXPAYERS.

VOTE NO!

R. R. WILSON,
Santa Rosa, California

PART II
APPENDIX

16 TAX LIENS. Assembly Constitutional Amendment 2. Adds Section 31b to Article IV of Constitution. Empowers Legislature to provide that the lien of every tax, heretofore or hereafter attaching, shall cease for all purposes thirty years after such tax became a lien, or to provide that every tax, heretofore or hereafter levied, shall be conclusively presumed to have been paid after thirty years from time same became a lien unless the property subject thereto has been sold in manner provided by law for payment of said tax.

YES

NO

Assembly Constitutional Amendment No. 2—A resolution proposing to the people of the State of California an amendment to the constitution of said state by adding to article four thereof a new section to be numbered 31b, relating to the release of lien for taxes in certain cases.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its forty-ninth regular session, two-thirds of all the members elected to each of the two houses of the Legislature voting in favor thereof, that the constitution of said state be amended by adding to article four thereof a new section to be numbered 31b and to read as follows:

(This proposed amendment does not expressly amend any existing section of the constitution, but

adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

- PROPOSED AMENDMENT TO THE CONSTITUTION.

Sec. 31b. No provision of this constitution shall be construed as a limitation upon the power of the Legislature to provide that the lien of every tax, whether heretofore or hereafter attaching, shall cease to exist for all purposes after thirty years from the time such tax became a lien, or to provide that every tax whether heretofore or hereafter levied shall be conclusively presumed to have been paid after thirty years from the time the same became a lien unless the property subject thereto has been sold in the manner provided by law for the payment of said tax.

17 CITY CHARTERS. Assembly Constitutional Amendment 31. Amends Section 8, Article XI, of Constitution. Requires board of freeholders, within one year after their election, to prepare a proposed city charter, and if city's population exceeds 50,000 requires copies thereof be printed and mailed each elector. Requires petition for submission of charter amendment be filed with legislative body of city at least sixty days before general election next preceding a regular session of Legislature. Permits charter provision for division of city into boroughs or districts; eliminates provision that borough's powers be not changed without consent of electors of borough.

YES

NO

Assembly Constitutional Amendment Number 31—A resolution to propose to the people of the State of California, an amendment to section 8, of article eleven of the constitution of the State of California, relating to the drafting of a charter by the board of freeholders.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its forty-ninth session, commencing on the fifth day of January, 1931, two-thirds of all of the members elected to each of the two houses voting in favor thereof, hereby proposes to the people of the State of California that section 8, of article eleven of the constitution of the State of California, be amended to read as follows:

(This proposed amendment expressly amends an existing section of the constitution; therefore **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**; and **NEW PRO-**

VISIONS proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO THE CONSTITUTION.

Sec. 8. Any city or city and county containing a population of more than three thousand five hundred inhabitants, as ascertained by the last preceding census taken under the authority of the congress of the United States or of the Legislature of California, may frame a charter for its own government, consistent with and subject to this constitution; and any city, or city and county having adopted a charter may adopt a new one. Any such charter shall be framed by a board of fifteen freeholders chosen by the electors of such city at any general or special election, but no person shall be eligible as a candidate for such board unless he shall have been, for the five years next preceding, an elector of said city. An election for choosing freeholders may be called by a two-thirds vote of

[Twenty-one]